

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In Re:

Momentum Consulting LLC

Debtor.

Chapter 11

Case No. 24-11236

DEBTOR'S STATUS REPORT PURSUANT TO 11 U.S.C. § 1188(c)

Momentum Consulting LLC, the Debtor and Debtor-in-Possession herein, (hereinafter the "Debtor"), by and through its proposed attorneys, Boyle Legal, LLC, (Michael L. Boyle, of counsel), as and for its status report pursuant to 11 U.S.C. § 1188(c), respectfully show the Court as follows:

1. The Court has scheduled a Status Conference pursuant to 11 U.S.C. § 1188(c) for January 8, 2025 at 10:30a.m.

Background

2. On November 5, 2024 the Debtor filed a Voluntary Petition for Relief under Title 11 Chapter 11 Subchapter V of the United States Code.

3. Mark Schlant, Esq. is the duly appointed Subchapter V Trustee.

4. The Debtor continues to operate its business consulting business pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code with its principal place of business located at 18 Shultes Road, Greenville, NY 12083.

5. Debtor currently has one (1) employee and multiple independent contractors. Payroll/Independent Contractor expenses vary between \$50,000.00 and \$75,000.00 per month, depending on commissions earned by independent contractors.

6. Debtor does not anticipate the addition of new employees through the pendency

of this case.

7. The Debtor has retained Boyle Legal, LLC, as bankruptcy counsel for the Debtor.

An application approving said retention is pending with the Court.

8. The Debtor currently does not anticipate the need for any other applications to employ professionals.

Events Leading to Chapter 11 Filing

9. Debtor is a business consulting company, with Articles of Organization filed in New York on January 15, 2020.

10. Debtor's principal location is 18 Shultes Road, Greenville, NY 12083. Debtor operates out of its principal's homestead and has no brick and mortar location as its services are all performed virtually.

11. Debtor filed this proceeding due to insufficient cashflow to maintain its debt obligations.

12. It is Debtor's intention, through this Bankruptcy, to maintain ongoing operations while augmenting debt payments to a more manageable level based on available cashflow.

13. Debtor intends on proposing a 100% repayment plan to its creditors predicated on Debtor's ability to recapture monies lent in contemplation of business litigation financing.

14. Debtor's principal was approached to participate in litigation financing which, once successful, would create a sizable return on the investment to the Debtor and its principal, Mr. McLellan.

15. According to most recently received information, Mr. McLellan is

optimistic that said return should be shortcoming, which would put Debtor in a position to then repay its creditors in full.

16. Until said loan is repaid, Debtor does not have the cashflow to pay 100% on the dollar, but again, remains optimistic that once the litigation financing is repaid, that Debtor's creditors will receive a complete dividend.

General Summary and Nature of Debtor's Debts

17. Debtor has the following Secured Creditors that have blanket UCC liens on Debtor's property:

- a. Citizen's Bank N.A. holds a first position UCC Blanket Lien;
- b. Hebron Savings Bank holds a second position UCC Blanket Lien;
- c. TD Bank N.A. holds a third position UCC Blanket Lien; and
- d. Can Capital, Inc, holds a fourth position UCC Blanket Lien.
- e. Upon information and belief, Debtor has no other secured obligations.

18. At the time of filing, Debtor owed approximately \$190,633.68 in general unsecured, non-insider debt.

Summary of Key Bankruptcy Events Since Filing

19. **Schedules and Statements:** The Debtor filed its Schedules and Statements with the Filing of the Petition.

20. **Operating Reports:** The Debtor's first monthly operating report for the partial month of November 2024 was due on December 20, 2024. Debtor anticipates having its first

Monthly Operating Report filed shortly.

21. **Motion to use Cash Collateral:** The Debtor moved the Court to utilize cash collateral. The Court granted interim relief through January 10, 2025 with a final hearing scheduled for January 8, 2025.

22. **Motion to Maintain Prepetition Insurance Policies:** The Debtor moved the Court to continue payment on its prepetition insurance policies. The Court granted interim relief with a final hearing scheduled for January 8, 2025. The Debtor anticipates withdrawing its request for this relief as it's prepetition Bank, Bank of America, N.A., has notified Debtor of its intent to close the bank accounts. Debtor has established new Debtor in Possession Bank Accounts with KeyBank N.A., an approved United States Trustee depository.

23. **Motion to Establish 111(b) Deadlines:** The Debtor moved the Court to establish an 111(b) Deadline for secured creditors. The Court granted interim relief with a final hearing scheduled for January 8, 2025.

24. **341 Meeting:** The Debtor's 341 Meeting was held on December 5, 2024 and has been closed by the United States Trustee.

25. **Other Post Filing Activity:** (1) The Debtor attended the Initial Debtor Interview with the United States Trustee's Office. (2) The Debtor has worked with its financial institutions to have its accounts designated properly as DIP bank accounts. (3) The Debtor continues to work with its professionals in preparing a plan of reorganization. (4) The Debtor is preparing cashflow projections and other financials relevant to its intended plan of reorganization.

26. **Debtor's Business Performance Since the Petition Date.** Since the filing of the Petition, Debtor has had no post-petition business operations outside of its ordinary course of business.

27. **Debtor's Plan of Reorganization.** The Debtor's Plan of Reorganization is due on or before February 3, 2025.

Dated: Troy, NY
December 31, 2024

/s/ Michael L. Boyle
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